

**FIRST AMENDED AGREEMENT FOR DEVELOPMENT AND TAX
ABATEMENT IN REINVESTMENT ZONE NUMBER TWENTY THREE (23) FOR
COMMERCIAL – INDUSTRIAL TAX ABATEMENT, CITY OF BRYAN, TEXAS**

STATE OF TEXAS §

CITY OF BRAZOS §

This Agreement entered into by and between **THE CITY OF BRYAN, TEXAS**, a home rule municipality, acting herein by and through its duly elected City Council, (hereinafter referred to as “**CITY**”), and **TOYO INK AMERICA, LLC**, a limited liability company operating under the laws of the State of Delaware (hereinafter referred to as “**OWNER**”).

WITNESSETH:

WHEREAS, the City Council of the City of Bryan, Texas, on the 24th day of April, 2007, by ordinance established Reinvestment Zone Number Twenty three (23) for Commercial – Industrial Tax Abatement, City of Bryan, Texas (hereinafter referred to as "Zone") as authorized by CHAPTER 312, TEXAS TAX CODE; and

WHEREAS, in order to provide for the proper development of such property and to aid in the conduct of the operation thereof to the best interest of the CITY, in accordance with the above-referenced ordinances and statute, the City and Toyo Ink International Corporation, Inc. entered into an agreement for development and tax abatement for nine years, beginning in 2007; and

WHEREAS, the assets and liabilities of Toyo Ink International Corporation, Inc. related to the property have been transferred to Owner, a wholly owned subsidiary, and the

City wishes to approve of said transfer with respect to the agreement for development and tax abatement; and

WHEREAS, after substantially complying with the initial requirements of the said agreement, the City and the Owner have expressed an interest in expanding the scope of the work to be performed on the property, including additional investments in real property and equipment, in exchange for augmented tax abatement incentives; and

WHEREAS, in order to further encourage the development of such property and operation, the parties do mutually agree to amend the agreement as follows as follows:

1. The real property on which the real property improvements, personal property and equipment to be abated pursuant to this Agreement will be situated is a tract of land consisting of approximately 22.050 acres of land, and being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof for all purposes, (herein the "Property"). The location of the existing real property improvements and the proposed expansion is depicted on a site plan or diagram attached to this Agreement as Exhibit "B". The real property and all improvements constructed thereon will be hereinafter referred to as "the Premises".

2. All of the following obligations of OWNER form the consideration for CITY entering into this Agreement:

- a. OWNER's construction of a manufacturing space on the Property with a minimum size of 50,000 feet, representing a capital investment in real and personal property of at least \$20,000,000, and to be completed on or before October 31, 2008.

OWNER's expansion of the facility, including approximately 20,000 square feet in new production and warehouse space, with an investment of an additional \$6,000,000 in real and personal property by December 31, 2012.

b. A schedule of equipment and personal property is attached as Exhibit "C" hereto and made a part hereof for all purposes. A schedule of new equipment and personal property is attached as Exhibit "C-1" hereto and made a part hereof for all purposes.

c. OWNER's commitment to employ on the Property at least forty (40) full time regular employees having a gross annual payroll of \$2,000,000.00 by December 31, 2012 and to maintain such employment levels and payroll for the duration of this Agreement.

3. OWNER agrees to construct all improvements in accordance with all applicable laws, ordinances, codes, rules, requirements or regulations of the City of Bryan, The CITY OF BRYAN, the State of Texas, and the United States, and any subdivision, agency or authority thereof in effect at the time of development.

4. OWNER agrees that the site plan, exterior design drawings, specifications and materials (hereinafter referred to as "Plans") for the improvements will be submitted to CITY for approval, which Plans are incorporated herein for all purposes. An official set of Plans will be designated by the OWNER and kept on file with the CITY.

5. OWNER shall keep the Premises insured against loss or damage by fire or any other casualty at full replacement value by purchasing insurance. OWNER shall furnish the CITY's Risk Manager with a certificate of insurance, evidencing such coverage.

6. OWNER shall submit written notice to CITY within ninety (90) days after the Premises are materially damaged by fire or any other casualty. The notice shall either set forth the dates OWNER will commence and complete the repair, remodeling or renovation of the damaged Premises or state that OWNER will not undertake such repair, remodeling or renovation. If OWNER notifies CITY that it will not undertake repair, remodeling or renovation of the damaged Premises, or if OWNER fails to complete the repair, remodeling or renovation by the completion date set forth in OWNER's notice to CITY, then CITY shall terminate this Agreement and CITY shall recapture from OWNER all property tax revenue CITY has lost as a result of this Agreement as required by §312.205(a)(4), Texas Property Tax Code.

7. OWNER agrees to provide CITY and its designees access to the Premises during regular business hours throughout the term of this Agreement for the purposes of inspection and examination of books, records, construction, workmanship, materials, and installations to determine that OWNER has complied with any requirement of this Agreement.

8. OWNER agrees to limit the use of the Premises consistent with the general purpose of encouraging development or redevelopment within Reinvestment Zone No. 23 while partial abatement of ad valorem taxes is in effect pursuant to this Agreement.

9. OWNER represents and warrants that no member of the City Council has an interest in the Premises and that the same are not owned or leased by any member of the City Council.

10. OWNER agrees that CITY assumes no liability or responsibility by approving plans, issuing building permits or making inspections in the event there is a defect in the improvements constructed on the Premises. The relationship between CITY, OWNER, and any taxing unit shall not be deemed to be a partnership or joint venture for purposes of this Agreement.

11. OWNER shall indemnify, hold harmless and defend CITY, its employees, officials, and agents from and against any and all obligations, claims, suits, demands and liability or alleged liability, including costs of suit, attorney's fees, damages, judgments, or settlements and related expenses arising in any manner from OWNER's construction, use and operation of the Premises, provided, however, that OWNER shall not be required to indemnify and hold CITY harmless for injury or harm caused by CITY's negligence or willful misconduct.

12. OWNER agrees to pay all ad valorem taxes and assessments (except as abated pursuant to this Agreement or otherwise exempt) owed to CITY prior to such taxes and/or assessments becoming delinquent. OWNER shall have the right to contest in good faith the validity or application of any such tax or assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion. In the event that OWNER contests such tax or assessment, all uncontested taxes and assessments shall be promptly paid to CITY prior to delinquency. If OWNER undertakes any such contest, it shall notify CITY and keep CITY apprised of the status of such contest. Should OWNER be unsuccessful in any such contest, OWNER shall promptly pay all taxes, penalties and interest resulting therefrom.

13. OWNER agrees that a default occurs if: (i) OWNER does not maintain the Premises in good condition, wear and tear excepted; (ii) OWNER fails to repair, remodel or renovate any material damage or destruction of the Premises as provided for in Section 6 above; (iii) OWNER fails to use the Premises for the purposes contemplated by this Agreement or allows the same to become vacant; (iv) OWNER does not pay all non-abated taxes in the manner required by Section 12 hereof; (v) OWNER fails to comply with all applicable statutes, administrative regulations, or ordinances of the United States, the State of Texas and/or the City of Bryan governing the operations or maintenance of the Premises or the conduct of OWNER's business in Bryan, Texas; (vi) OWNER fails to timely perform its obligations under Section 2a. and 2c. of this Agreement; or (vii) OWNER fails to comply with any other duty or obligation arising under this Agreement. CITY shall notify OWNER in writing of such default, and OWNER shall have thirty (30) days after receipt of such written notice, to cure any default, if the default can be cured. If OWNER fails to cure such default, or if OWNER's default can not be cured, CITY may, at CITY's sole option (except as to a default defined in (ii) above, which shall be governed by Section 6 of this Agreement) require OWNER to pay the current year's taxes in full or CITY may terminate this Agreement and recapture from OWNER a sum of money equal to all of the tax revenues CITY has lost due to the partial abatement of taxes on real property improvements, personal property and equipment from the inception of this Agreement. The remedies listed in this paragraph shall be in addition to any other remedies that CITY may have, both legal and equitable.

14. OWNER agrees to submit to CITY, and to each taxing unit in whose jurisdiction the Premises are situated, no later than February 1, 2009 and on February 1st of each year thereafter during the term hereof, a Statement of Compliance in the form attached hereto as Exhibit "D" indicating that OWNER has or has not completed the improvements on the PREMISES in accordance with the Plans or revised plans and further indicating that OWNER has or has not complied with each applicable provision of this Agreement.

15. This Agreement shall be for a term of nine (9) tax/calendar years, unless sooner terminated. CITY hereby grants to OWNER, a partial exemption from ad valorem taxation as set forth in this Section, subject to all of the terms and conditions contained in this Agreement. The partial exemption from ad valorem taxation of real property improvements, personal property and equipment during each tax year covered by this Agreement shall be computed by taking a percentage of the increase in value of the Property and the Premises on January 1st of each tax year over the value on January 1st of 2007, which is the year this Agreement was executed by OWNER and CITY. The partial exemption percentages are as follows:

<u>Tax Year</u>	<u>Percentage of Increased Value over January 1, 2007 Value to be Abated</u>
Year 1 (2007)	0%
Year 2 (2008)	70%
Year 3 (2009)	60%
Year 4 (2010)	60%
Year 5 (2011)	40%
Year 6 (2012)	50%
Year 7 (2013)	20%
Year 8 (2014)	30%
Year 9 (2015)	10%

For purposes of this Section, the value of the Property was \$189,000.00 on January 1, 2007. For purposes of this Section, the personal property and equipment to be abated had a value of \$0.00 on January 1, 2007 because it was not situated on the Premises on that date.

16. Miscellaneous.

a. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of such deleted provision, there shall be added as part of this Agreement a provision that is legal, valid and enforceable and that is as similar as possible in terms and substance as possible to the deleted provision.

b. Texas law to apply. This Agreement shall be construed under and in accordance with the laws of the State of Texas and the obligations of the parties created hereunder are performable by the parties in The CITY OF BRYAN, Texas. Venue for any litigation arising under this Agreement shall be in a court of appropriate jurisdiction in The CITY OF BRYAN, Texas.

c. Sole Agreement. This Agreement constitutes the sole and only Agreement of the Parties hereto respecting the subject matter covered by this Agreement, and supersedes any prior understandings or written or oral agreements between the parties.

d. Amendments. No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing and dated subsequent to the date hereof

and duly executed by the parties hereto. Any proposed amendment, modification or alteration shall be provided to the Commissioners Court of Brazos County, Texas for review and comment prior to adoption by the City Council.

e. Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any and all other legal remedies. Said rights and remedies are provided in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

f. No Waiver. CITY's failure to take action to enforce this Agreement in the event of OWNER's default or breach of any covenant, condition, or stipulation herein on one occasion shall not be treated as a waiver and shall not prevent CITY from taking action to enforce this Agreement on subsequent occasions.

g. Assignment. OWNER shall not assign this Agreement without the written approval of the City Council. A change in ownership of a majority of the stock of OWNER is an assignment for the purposes of this paragraph. An assignment to a subsidiary or affiliate company of OWNER shall not be prohibited under the section. If OWNER assigns this Agreement without written approval of the City Council, this Agreement shall terminate immediately and the partial abatement of taxes on personal property and equipment provided for herein shall cease from the date such unauthorized assignment occurred.

h. Notices. CITY and OWNER hereby designate the following individuals to receive any notices required to be submitted pursuant to the terms of this Agreement:

CITY

City of Bryan, City Manager
P.O. Box 1000
Bryan, Texas 77805-1000

OWNER


Toyo Ink America, LLC
James A. Honda, General Counsel
Toyo Ink International
300 Frank W. Burr Boulevard 7th Floor
Teaneck, New Jersey 07666

BRAZOS COUNTY

Randy Sims, County Judge
300 East 26th Street
Bryan, Texas 77803

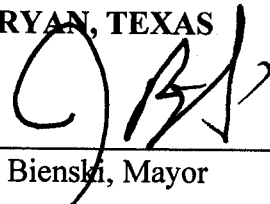
The parties hereto have executed this Agreement in duplicate originals, each of equal dignity. Each party has stated the execution date below the signature of its authorized representative. If the parties sign this Agreement on different dates, the later date shall be the effective date of this Agreement for all purposes.

ATTEST:



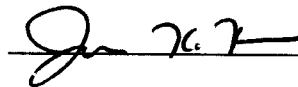
Mary Lynne Stratta, City Secretary

CITY OF BRYAN, TEXAS

By:  10-20-10

Jason P. Bienski, Mayor

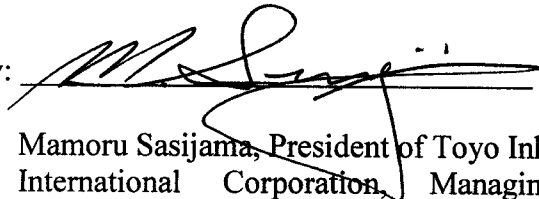
APPROVED AS TO FORM:



Janis K. Hampton, City Attorney

Member

TOYO INK AMERICA, LLC

By: 

Mamoru Sasijama, President of Toyo Ink
International Corporation, Managing

Toyo Ink America, LLC

EXHIBIT "A"

PROPERTY DESCRIPTION

BRYAN BUSINESS COUNCIL, INC.
(22.050 ACRES)

ALL THAT CERTAIN TRACT OR PARCEL OF LAND lying and being situated in the William S. Stewart Survey, A-220 in the City of Bryan, Brazos County, Texas, and being a part of the called 329.1964-acre Bryan Business Council, Inc. (formerly Bryan Development Foundation, Inc.) tract recorded in Volume 652, Page 339 of the Official Public Records of Brazos County, Texas (O.P.R.B.C.) and being more particularly described as follows:

COMMENCING at a 1/2" iron rod found in the east line of Harvey Mitchell Parkway (F.M. 2818) at the southwest corner of Lot 4, Block 6 of the Bryan Industrial Park, Phase II as recorded in Volume 847, Page 403 (O.P.R.B.C.) and the northwest corner of Lot 5, Block 6 of said subdivision;

THENCE along the east line of Harvey Mitchell Parkway S 5°16'38" W, pass at 289.31 feet a bent 3/4" iron pipe at the southwest corner of said Lot 5 and the northwest corner of the remainder of said Bryan Business Council tract, a total distance of 779.33 feet to a 1/2" iron rod set for the northwest corner of this tract and the PLACE OF BEGINNING;

THENCE into said Bryan Business Council tract S 84°43'22" E, 726.00 feet to a 1/2" iron rod set for the northeast corner of this tract;

THENCE through said Bryan Business Council tract S 5°16'38" W, 1323.00 feet to a 1/2" iron rod set for the southeast corner of this tract;

THENCE continuing through said Bryan Business Council tract N 84°43'22" W, 726.00 feet to a 1/2" iron rod set in the west line of said Bryan Business Council tract and the east line of Harvey Mitchell Parkway for the southwest corner of this tract;

THENCE along the east line of Harvey Mitchell Parkway N 5°16'38" E, 1323.00 feet to the PLACE OF BEGINNING containing 22.050 acres.

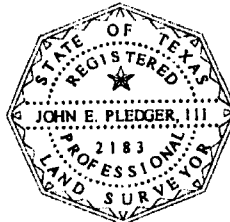
Surveyor Certification:

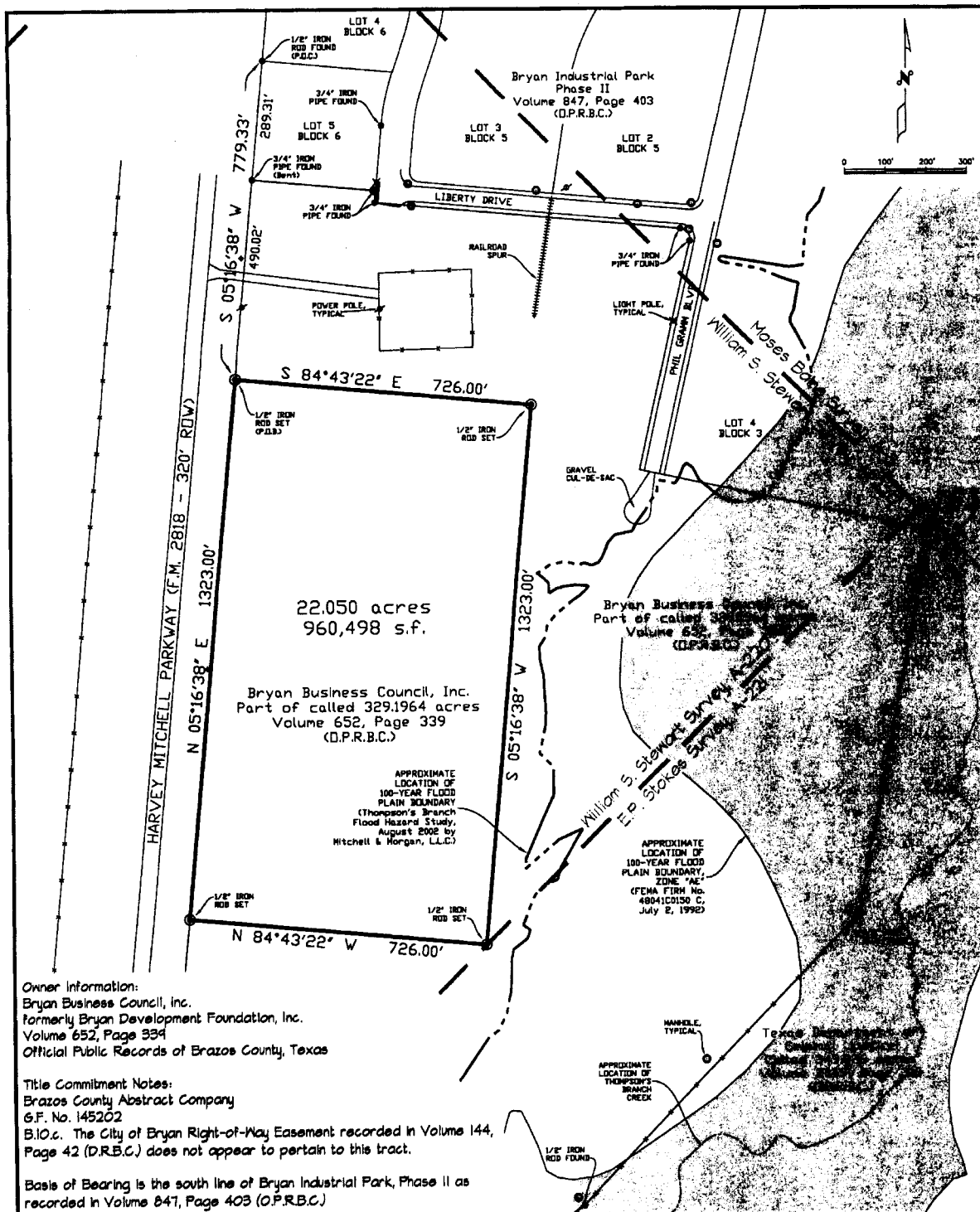
I, John E. Pledger, III, Registered Professional Land Surveyor, do hereby certify that this survey was this day made on the ground of the property legally described hereon and is correct, and that there are no discrepancies, conflicts, shortages in area, boundary line conflicts, overlapping of improvements, easements or rights of way, except as shown hereon.

This survey was performed in connection with the transaction described in G.F. No. 145202 of Brazos County Abstract Company.

Use of this survey for any other purposes or by other parties shall be at their own risk and the undersigned surveyor is not responsible for any loss resulting therefrom.


John E. Pledger, III February 1, 2007
Registered Professional Land Surveyor No. 2183





LAND TITLE SURVEY
22.050 acres
William S. Stewart Survey, A-220
City of Bryan, Brazos County, Texas



Pledger Kalkomey, Inc.

Consulting Engineers

7020 Coyote Run • Bryan, Texas 77808
979-731-8000 • 979-731-1500 (Fax)

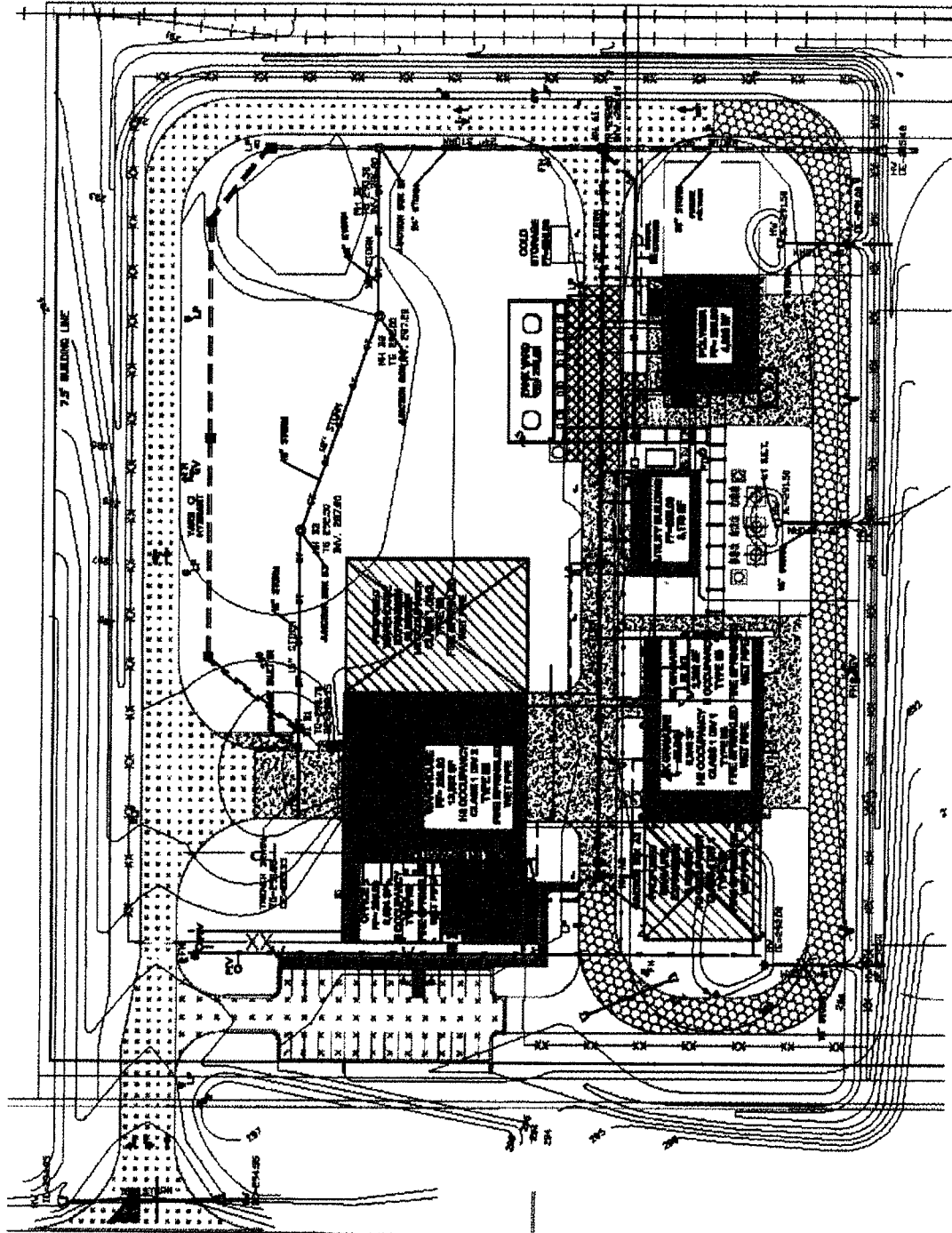
www.pkengineering.com

Brenham • Bryan • Rosenberg

Surveyor	John E. Pledger, III	County	Brazos	Field Crew	RAM & AG
APLS No.	2183	Survey	William S. Stewart, A-220	Computations	TOW
Date	February 1, 2007	City	Bryan	Drafting	TOW
Update		Addition		Work Order	20010

EXHIBIT "B"
SITE PLAN AND EXPANSION

Building Expansion Plan



HARVEY MITCHELL PARKWAY (FM 2918)

EXHIBIT "C"

SCHEDULE OF EQUIPMENT AND PERSONAL PROPERTY

Tax Abatement Agreement

July 19, 2007

Exhibit C

<u>Description</u>	<u>Amount</u>
ProcessEquipment	\$2,087,420
Process Electrical	\$1,193,784
DCS Control System	\$392,000
Instrumentation	\$590,951
Equipment - Sand Mill	\$625,000
Zirconia Beads	\$100,000
Test Coater	\$130,500
GPC	\$100,900
Printing Machine	\$89,000
Particle Size Counter	\$52,000
Other QC Equipment and Installation	\$627,600
Office equipment & LAN construction	\$300,000
Rack of warehouse	\$200,000
	<u>\$6,489,155</u>
Total Equipment and Personal Property	<u>\$6,489,155</u>

EXHIBIT "C-1"

SCHEDULE OF INVESTMENT 2010-2011

EQUIPMENT AND PERSONAL PROPERTY

Investment Plan for Bryan Factory of Toyo Ink.

1 . Investment plan for 2010.
Facility for Solvent Ink.

\$ 442,600

2. Investment plan for 2011.
Building Expansion
Facility for Water Base Ink & Solvent Ink.

\$ 4,460,000
\$ 1,120,000

TOYO INK Bryan Factory
Aug.30.2010

1. Investment Plan for 2010 (Install them by October, 2010.)

NO.	Facility	Amount (US\$)
1	Dispersion Mill complete set	\$130,500
2	Dispenser 75HP	\$ 36,300
3	Dispenser 50HP	\$ 24,800
4	Hand Mixer	\$ 1,400
5	Tank(1000gal×2、440gal×2、330gal×4)	\$ 96,000
6	Piping(N2,Air,CCW,Ducting)	\$ 23,500
7	Electrical	\$ 41,800
8	Scale	\$ 7,300
9	Fittings & Hoses	\$ 20,000
10	Solvent Recovery System	\$ 25,000
11	Label making System	\$ 20,000
12	Simple model ware house	\$ 10,000
	TOTAL	\$442,600

2. Investment for 2011 (Install them by Sep.2011)

NO.	Facility	Amount (US\$)
1	Expansion for Ink Production & Warehouse	\$4 , 460,000
	Facility for Water Base Ink	
2	Sand Mill(45L× 3)	\$ 540,000
3	Disperser 75HP	\$ 37,000
4	Disperser 50HP	\$ 26,000
5	Hand Mixer	\$ 2,000
7	Tank (400gal×6)	\$ 60,000
8	Scale	\$ 20,000
9	Waste water treatment facility	\$ 200,000
	Additional facility for Solvent Ink	
10	Sand-Mill(25L)	\$ 165,000
11	Tank(400gal×2)	\$ 20,000
12	Dispenser System	\$ 50,000
	TOTAL	\$ 5,580,000

EXHIBIT "D"

**STATEMENT OF COMPLIANCE WITH AGREEMENT FOR COMMERCIAL -
INDUSTRIAL TAX ABATEMENT WITH TOYO INK INTERNATIONAL
CORPORATION IN CITY OF BRYAN REINVESTMENT ZONE 23**

THE STATE OF TEXAS §

CITY OF BRAZOS §

TOYO INK ("Owner") hereby certifies any improvements on the Property, as called for in the above referenced Agreement, have been completed and constructed in every material respect pursuant to said Agreement. Owner further certifies that they have complied with every applicable material term of said Agreement.

Signed this _____ day of _____, 2011.

BY: _____
ITS: _____

Any above-described improvements have been accepted by the City of Bryan, Texas as having been constructed in compliance with the above referenced Agreement, and that pursuant to said Agreement the partial exemption from taxation shall commence on January 1, 2007 continuing through the year 2015, which will be the last year that the property will be entitled to exemption from taxation in accordance with this Agreement, and that the taxable value of the Premises for such period of time shall be the taxable value as finally determined, following any applicable contests and appeals, by the Brazos County Appraisal District on January 1st of each year of the term of the Agreement.

Signed this _____ day of _____, 2011.

ATTEST:

CITY OF BRYAN, TEXAS

Mary Lynne Stratta, City Secretary

By: _____
Jason P. Bienski, Mayor